

Internal Revenue Service
District Director

Department of the Treasury

Post Office Box 1680, GPO
Brooklyn, NY 11202

Date: JUN 18 1992

Person to Contact:

Contact Telephone Number:

Refer Reply to:

CERTIFIED MAIL

Dear Applicant:

We have considered your application for recognition of exemption under section 501(c)(4) of the Internal Revenue Code.

The evidence presented disclosed that you were incorporated on [REDACTED] as [REDACTED]. The organization changed its name to [REDACTED] on [REDACTED].

The Internal Revenue Service gave the organization exemption on [REDACTED] under section 501(c)(4) of the Internal Revenue Code.

The Internal Revenue Service revoked the organization's exemption on [REDACTED] under section 501(c)(4) of the Internal Revenue Code.

Your activities consist of the operation of cultural and social facilities for your members; the providing of a fund for the payment of sick and death benefits to members and heirs of members, and the solicitation of the general public to attend meetings.

Your cultural and social activities consist of monthly meetings. Events in the past included the following:

Piano and vocal recitals.

Seminars with guest speakers.

Egg decorating classes.

Film presentations

Showing of religious art and [REDACTED] artifacts.

Marched in the "██████ Festival" at ██████.

██████ language courses.

Your cultural and social activities comprises approximately 95% of your activities.

You also provide sick and death benefits to members and heirs of members. This activity comprises approximately 5% of your activities.

Section 501(c)(4) of the Internal Revenue Code provides for the exemption from Federal income tax of civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare.

Section 1.501(c)(4)-1(a)(2)(i) of the Income Tax Regulations provides that an organization is operated exclusively for the promotion of social welfare if it primarily engages in promoting in some way the common good and general welfare of the people of the community.

The concept of social welfare implies a service or program directed at benefitting the community rather than a private group of individuals.

Revenue Ruling 75-199 provides that a non profit organization that restricts its membership to individuals of good moral character and health belonging to a particular ethnic group residing in a stated geographical area and provides sick benefits to members and death benefits to their beneficiaries is not exempt under Section 501(c)(4) of the Code for year beginning after June 2, 1975.

As in Revenue Ruling 75-199 your organization was formed to provide sick benefits to members and death benefits to their beneficiaries. A membership organization such as yours is essentially a mutual, self-interest type of organization. Its income is used to provide direct economic benefits to members and any benefit to the larger community is minor and incidental. Where the benefit from an organization is limited to that organization's members, it is not organized exclusively for the promotion of social welfare within the meaning of section 501(c)(4) of the Code.

Accordingly, we conclude that you do not meet the requirements for exempt status under section 501(c)(4) of the Code and propose to deny your request for exemption under that section.

We have also determined that you fail to qualify for exempt status under any other subsection of IRC 501(c).

You are required to file a taxable return Form 1120 or 1041 with the District Director of Internal Revenue Service. Please send the return to the Internal Revenue Service, P.O. Box 1680, General Post Office, Brooklyn, NY 11202.

If you do not agree with this determination, you may request a Conference with the Regional Director of Appeals by protesting in accordance with the enclosed instructions within 30 days.

Protests submitted which do not contain all the documentation stated in the instructions will be returned for completion.

If we do not hear from you within that time, this determination will become final.

Sincerely,


District Director

Enclosure: Publication 892